



file
Huron and One Mortgage Corp.

Can corp

See if there is a possible
perspec type of story.

Saving money on taxes...

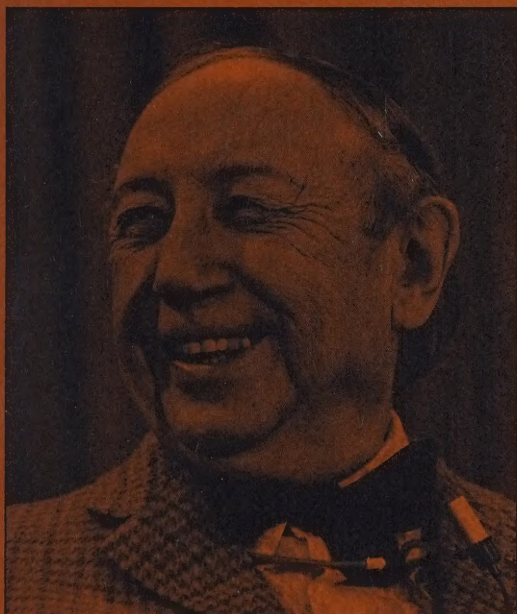


"Start using the government's own rules
and save a bundle on taxes.

A Canada Trust Registered Retirement
Savings Plan makes it possible...
and helps you save for the prime years
of retirement."



Gordon Sinclair



Gordon Sinclair

Gordon Sinclair, a nationally known Canadian, has had an illustrious career in the communications field, as a newsman, entertainer and entertainment critic. Currently his news and showbusiness programs on Toronto Radio Station CFRB capture the imagination and comment of a wide audience as does his controversial role as a panel member on television's Front Page Challenge. In "spare time" he has written several books.

He has received many tributes from the United States in response to his broadcast, and subsequent recording of the "Americans". Typical of Gordon Sinclair, all the substantial monetary proceeds from the "Americans" have been donated to the Red Cross.

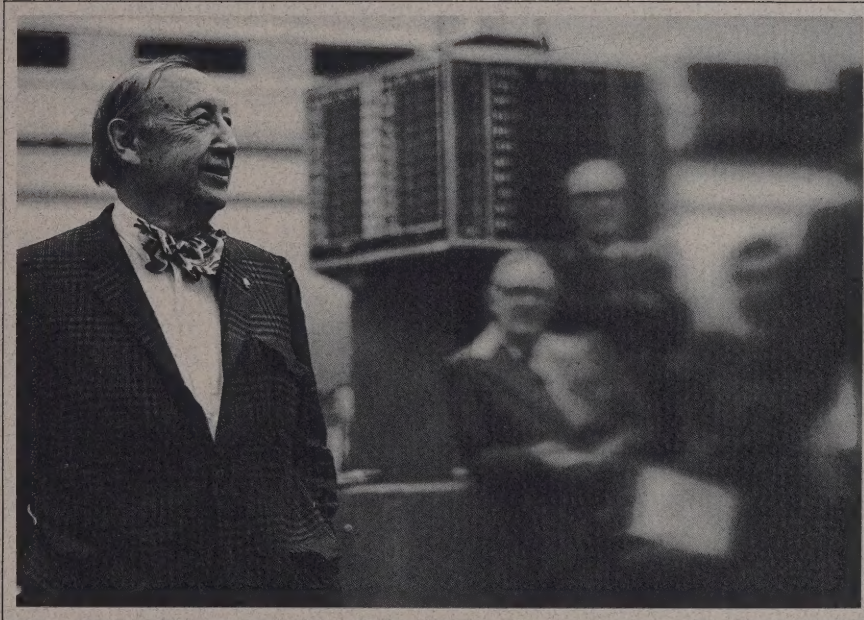
Gordon Sinclair has been a shareholder of Canada Trust for many years and it seemed appropriate to have him join with us in this year's Annual Report and as a customer, comment on some of our services.

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Investment...



"The key to investing is good
management and accurate records.


Some do it themselves...
many let the people at Canada
Trust help them."

 Gordon Sinclair

Castle or Condominium...



"Whatever your needs, Canada
Trust can help you.
They offer you mortgages...
financial expertise... and
helpful real estate people."

 Gordon Sinclair

The Huron and Erie Mortgage Corporation The Canada Trust Company

Head Office: London, Canada

Consolidated Annual Report for the year ended December 31, 1974


FACTS IN BRIEF			%
	1974	1973	Increase (Decrease)
Income	\$ 207,715,000	\$ 170,628,000	21.7
Expense	191,168,000	145,575,000	31.3
Operating earnings before income taxes	16,547,000	25,053,000	(34.0)
Income taxes	7,603,000	12,190,000	(37.6)
Net operating earnings	<u>\$ 8,944,000</u>	<u>\$ 12,863,000</u>	(30.5)
Assets under administration	\$4,952,000,000	\$4,283,000,000	15.6
Estates, trusts and agencies	2,728,000,000	2,375,000,000	14.9
Deposits	2,111,000,000	1,808,000,000	16.8
Loans	1,868,000,000	1,610,000,000	16.0
Shareholders' equity	88,760,000	78,122,000	13.6
Net operating earnings per common share	\$ 1.60	\$ 2.33	(31.3)
Dividends paid per common share	1.20	1.15	4.3
Shareholders' equity per common share	14.54	14.15	2.8
Market price per common share			
High	31 $\frac{3}{4}$	34 $\frac{1}{4}$	
Low	16 $\frac{1}{8}$	26 $\frac{1}{2}$	
December 31	23 $\frac{1}{2}$	31 $\frac{3}{4}$	
Price/ Earnings multiple, December 31	14.7	13.6	
Number of preference shares outstanding	425,000		
Number of common shares outstanding	5,521,088	5,521,088	
Percentage of common shares held in Canada	99	98	
Number of common shareholders	4,605	4,654	
Number of branches and mortgage offices	93	87	
Number of full-time employees	2,146	2,105	
Number of real estate offices	46	42	
Number of real estate sales representatives	368	320	

Annual General Shareholders' Meeting
Wednesday, February 12, 1975
2:00 p.m.
Downtown Holiday Inn, London, Ontario

If you need a loan ...



"If you need the money
to buy a car, boat, or for any other
worthwhile purpose Canada Trust
has life insured loans."

 Gordon Sinclair

Chairman's Remarks

The economic climate of the past year has provided a stern test of the management skills of the men and women responsible for the operation of the Company. I am in a position to attest objectively to their performance and I believe it has been excellent. The sizable reduction in earnings for the year caused by the impact of cost escalation and historically high interest levels was literally unavoidable. What is more important, the position of the Company at the end of 1974 was stronger than it has ever been and we can face the uncertainties of 1975 with full confidence.

Two corporate developments during the year, pursuant to authority granted at the Special General Meeting of shareholders held on the 20th of September, deserve mention for both are essential to continuance of the Company's growth pattern.

First, the capital base was enlarged by \$8,500,000 of additional capital subscribed by a number of major financial institutions in return for the issuance of redeemable preference shares.

Secondly, the Federal Government has adopted legislation that will, on application, permit an increase in borrowing capacity as a multiple of the capital base.

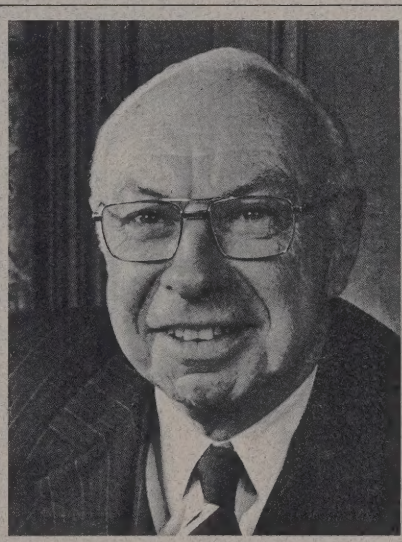
Senior Management

Your Directors in November, 1974 approved an appointment of particular note, that of Mervyn L. Lahn as Executive Vice-President. Mr. Lahn will continue to carry responsibility for the day-to-day operations of the Company.

Directorate

Two new Directors were elected at the last Annual Meeting: Mr. G.E. Creber of Toronto, returning to the Board after an absence of some years occasioned by his responsibilities as President of George Weston Limited, and Mr. G.B. Currie of Vancouver, Chairman, MacMillan Bloedel Limited. Their additional strength is warmly welcomed.

During the year we sadly recorded the deaths of Mr. Murray Bray of Kitchener, a Director, and Mr. Paul Fisher of Burlington, a member of the Halton & Peel Advisory Board, and we regretted the resignations of



Mr. Ray D. Wolfe of Toronto, a Director, and Mr. E.A.R. Newson, a member of the Toronto Advisory Board. These four gentlemen had each made significant contribution to the Company's affairs.

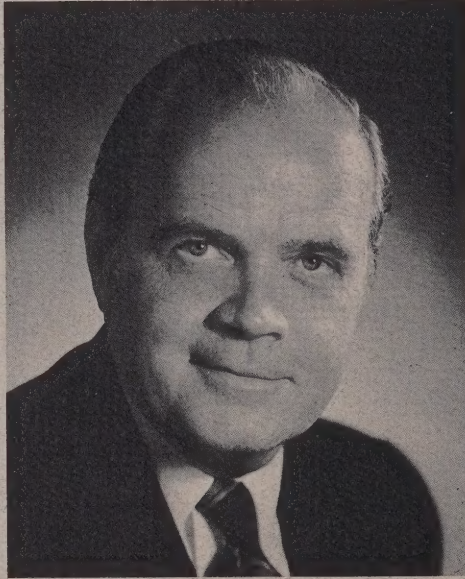
Special reference should be made to the recent passing of Colonel Ibbotson Leonard at the age of 92. Colonel Leonard, Chairman of the Board from 1942 to 1956, was held in high esteem and affection by all his associates.

On behalf of the Directors I extend to management and staff alike thanks for another year of diligent effort and assurance of support in all they strive to accomplish in the year ahead.

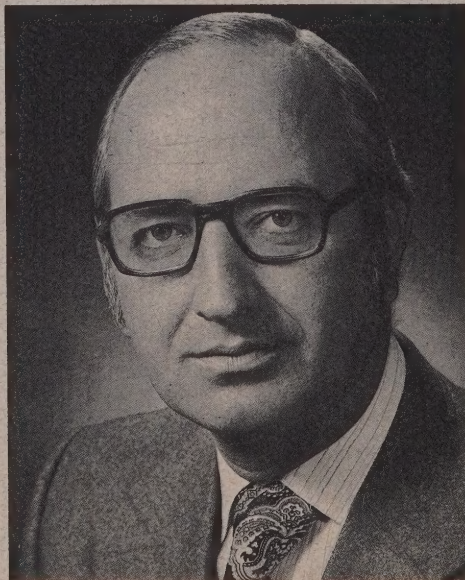
A handwritten signature in dark ink, appearing to read "Gallyn Taylor". The signature is fluid and cursive.

Chairman of the Board and of the
Executive Committee

London, Ontario, January 24, 1975



ARTHUR H. MINGAY
President and Chief Executive Officer

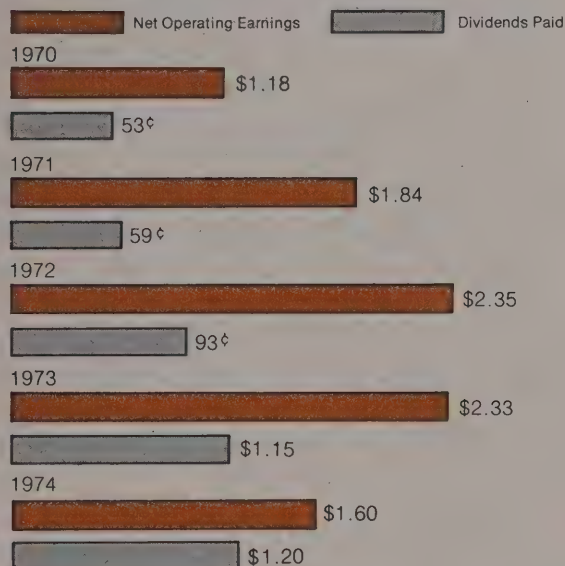


MERVYN L. LAHN
Executive Vice-President

Report to Shareholders

During 1974, assets entrusted for administration to Canada Trust increased by \$669 million or 16% to just under \$5 billion at year-end. A milestone was achieved with deposits exceeding \$2 billion. Notwithstanding this satisfactory rate of growth in assets under administration, the upward spiral of costs in general and interest rates in particular had an adverse effect on net operating earnings. These declined by 30.5% to \$8.9 million from \$12.9 million in 1973 and on a per common share basis by 31.3% to \$1.60 from \$2.33 in 1973.

Net Operating Earnings and Dividends Paid per Common Share



Income from investments increased by 21.1% to \$181.3 million whereas interest expense on deposits rose by 34.5% to \$148 million. The spread between the average interest rate earned and paid declined to 1.37% — an historic low — which compares with 1.98% in 1973 and 2.15% in 1972. Consensus prevails that short term interest rates have passed their peak for this cycle, which forecast, if accurate, should result in an improved interest rate spread during 1975. Salaries, pension and other employee benefits, the second largest cost factor in earnings determination, increased by 23% as employee remuneration reflected not only recent consumer price experience but provision for further increases expected to come. Other expense increased by 12.5%, being quite compatible with the overall increase in income.

Income taxes for 1974, at an effective rate of 45.9% compared with 48.7% for 1973, make full provision for the new 10% surcharge not only on taxes currently payable but also on the provision for future taxes.

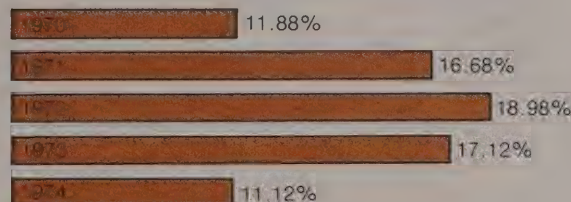
FINANCIAL STATEMENTS

Increased efforts have been made to improve the format of our financial statements. Additional information has been provided and further changes have been made in our accounting presentation. Substantially expanded notes to the consolidated financial statements fully document and explain these changes. A summary of significant accounting policies and a table of investment and deposit liability maturities have been included for the first time.

INTERNATIONAL

During 1974 the Company entered into partnership with Northwest Bancorporation of Minneapolis and Southeast Banking Corporation of Miami in ownership of Canadian American Finance S.A. Through its principal subsidiary, Canadian American Bank S.A., a broad range of international investment and merchant banking activities are conducted through offices in London, England and Luxembourg. Elsewhere in this report a brief description of special category stocks is provided.

Return on Common Shareholders' Average Equity



ADMINISTRATIVE SERVICES

Branches and Premises — Six new branches were opened: Calgary Southcentre; Hillcrest Mall in Richmond Hill; Market Square in Kitchener; City Centre in London and a financial service centre in each of the G.W. Robinson Co. Ltd. department stores in the Greater Hamilton Shopping Centre and the Burlington Mall.

Just prior to year-end, head office divisions completed their move into our new corporate headquarters in the Canada Trust Tower, City Centre, London. London Main branch departments completed

their move early in January, 1975. A branch operation continues in the former head office building, utilizing vault space, main floor and mezzanine. Leasing of space rendered surplus by these relocations is progressing satisfactorily.

New Westminster branch was relocated in fine new quarters at 6th St. and 7th Ave. during the year.

Effective December 1st Canada Trust acquired, on favourable terms, 100% of the equity shares of the Company which owns the Canada Trust Building at King and Water Streets, Kitchener. The company name was changed to Truscan Realty (Kitchener) Limited and its accounts are consolidated in the accompanying financial statements. Two mortgages maturing in 1984 and bearing an average interest rate of 7.10%, which were assumed on the aforementioned building, are included in the balance sheet as mortgages payable.

Data Processing — The unibranch on-line savings system was extended to an additional 10 branches bringing the total to 57 of 93. In 1975 the on-line system will be extended to an additional 6 branches completing the conversion of all branches in the Ontario Regions.

We have installed three cathode ray terminals in the programming department for program development with a productivity increase entirely offsetting cost.

In 1975 the consumer and personal loans service will be computerized on a totally cost justified basis which will result in improved client services.

FINANCE

Corporate Investments — As indicated in last year's annual report, investment opportunities in partial substitution for mortgages, long our mainstay and still our principal outlet for funds, have been sought. Three areas are particularly noteworthy. Preferred stock holdings increased by \$20 million to \$23 million. During 1974 preferred stocks with a redemption feature at the option of the holder made their debut. Previously preferred stocks without such a feature were largely unsuitable for our investment purposes due to lack of a specific date on which they can be redeemed. The increased holding of preferred stocks is virtually all of the type with a five year redemption feature at the holder's option. Dividends from these preferred stocks, being paid out of after tax income of the issuers, are not subject to income tax as received by us.

Other investments appear on the balance sheet for the first time. Amounting to \$9 million these

investments constitute ownership, shared with other institutions, of aircraft purchased from and leased back to Air Canada. An attractive return, more than competitive with mortgage rates at the times of purchase, was provided.

A \$5 million purchase of income debentures of Canadian Pacific Investments Limited was made during the year. As in the case of preferred stocks, the issuer pays the income out of after tax earnings and thus, the income is not taxable in our hands.

Major emphasis is being given to a closer matching of deposit liability and investment maturities to reduce the exposure to fluctuation in interest rate spread during periods of volatile interest rates.

Trust Investments — With every major free world economy in decline and a number of serious problems yet to be solved it is not surprising that both equity and fixed income security markets declined for most of the year.

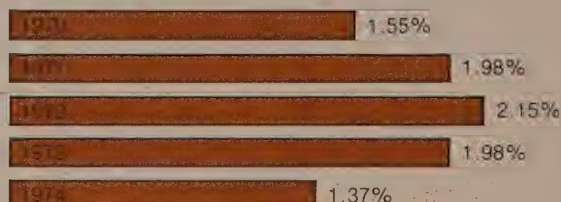
In the face of deteriorating economic indicators a policy of reducing equity holdings was effected in the first quarter. At year-end the equity content of most pension trust accounts was approximately 40% of the market value of assets compared with levels in excess of 60% at the end of 1973. Pension assets administered being in excess of \$1 billion, this swing in asset mix was a major accomplishment. Sale proceeds generated were mainly directed into short term investments, medium term bonds and five year mortgages.

During 1974 the investment division adjusted to the increasing information requirements of clients and the continued high growth of managed assets. Both the portfolio management section and the research section were strengthened by the addition of further experienced personnel.

CLIENT SERVICES

Deposit Services — Interest rates on depositors' funds reached all-time highs during the fall of 1974 with the savings account rate peaking at 9 1/4 %

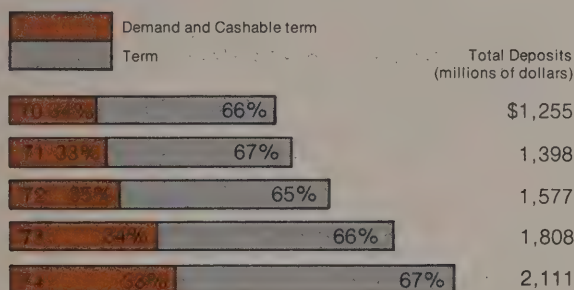
Interest Rate Spread



This represents the difference between the average rate earned on investments and average rate paid on deposits.

versus 6% in 1973, and term rates reaching 10% compared to 9% in 1973. Cashable term deposit rates attained a high of 10% against a 1973 maximum of 9%. Deposits increased \$303 million or 17% during the year. This compares to an increase of \$231 million or 15% in 1973. Virtually all of the increase was achieved in cashable term and term deposits with their attractive high rates, while demand deposits experienced only a modest increase.

Total Deposits



Direct sales and issuing business for other sales agents of Canada Savings Bonds increased dramatically in 1974 to \$230 million versus \$23 million in 1973. Sales of travellers cheques increased to \$12 million, compared to \$10.3 million in 1973.

The Company, in support of the Olympic Games, acted as agent for the sale of Olympic Lottery tickets. The number of tickets sold totalled over 108 thousand during the last half of 1974.

Mortgage Services — While mortgage demand softened during the latter half of 1974, mortgage applications approved totalled \$472 million including \$43 million invested on behalf of trust clients. In excess of 96% of these volumes was directed to help finance various forms of housing accommodation for Canadians coast to coast.

The corporate mortgage portfolio at year-end amounted to \$1.8 billion, an increase of \$216 million or 14% during the year. Total mortgages administered now exceed \$1.9 billion, involving over 78,700 individual properties. Payment arrears at December 31st remained at a very low level with 92 accounts or 0.117% in arrears over ninety days compared with 89 accounts or 0.119% at December 31st, 1973. Real estate acquired in settlement of loans decreased from \$174,000 on December 31st, 1973 to nil at December 31st, 1974.

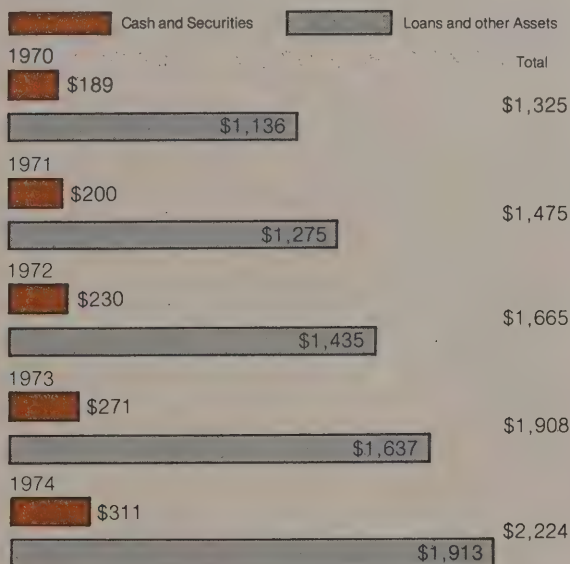
In March 1975 the mortgage operation will commence conversion to an expanded computer system which

will provide improved customer service and increased capacity for handling future growth.

Loans Services — Consumer and personal loans continued in demand during the year with a slight falling-off during the last quarter. Loan advances exceeded \$59 million compared to \$36 million in 1973. The portfolio increased by \$15 million to \$41 million. Gross income for the year was \$4.7 million, a growth of 86% over \$2.5 million in 1973. Losses continued at a low level, being less than 0.26% of portfolio average for the year.

A "Loans for Retirement Savings Plans" program was introduced during the year with a high degree of success. Further programs providing loans for Income Averaging Contracts and interim financing for residential home purchases will be introduced in 1975, broadening the credit services available to clients.

Asset Mix (millions of dollars)

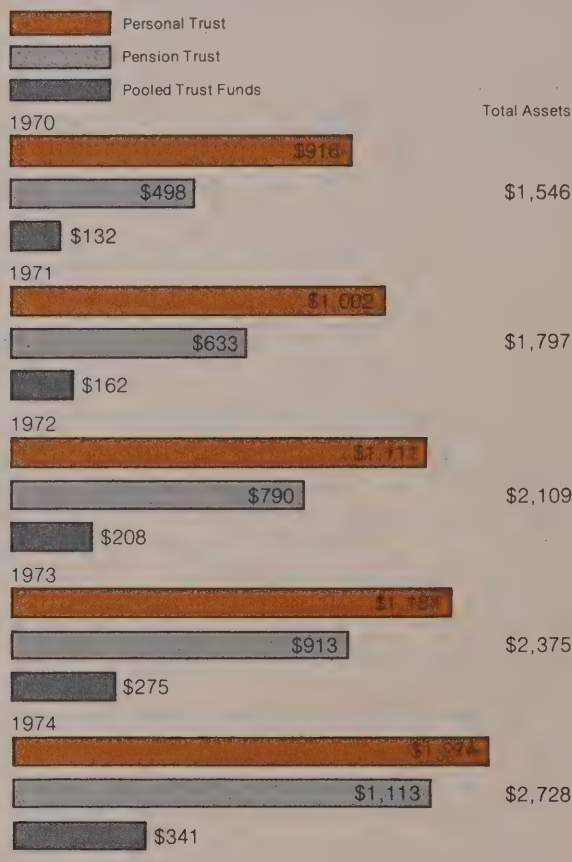


Personal Trust Services — Assets under administration have reached \$1.3 billion. Although fees and commissions grew at 12%, costs, unfortunately, increased at a greater percentage. To combat these pressures, studies were undertaken in 1974 on costing, staffing and pricing — the results of which should reflect in 1975 by providing an improved profit margin while still maintaining a high level of service.

Specialization of our sales force, new marketing material and aids, coupled with an expanded

investment division, continue to attract quality investment management agency business assuring future growth in fees. This sector contributes over 18% of total personal trust income.

Estates, Trusts and Agencies (millions of dollars)



Estate Planning Services — The reorganization of the sales force into a specialized area of estate planning has been completed. Estate Planning Consultants have improved service to clients through increased emphasis on in-depth review of the client's estate plan and will.

A computerized will plan preparation system has been successfully introduced in all regions. This new concept involves the preparation of wills by the client's solicitor and has been well received by the legal profession. To increase efficiency we have commenced the computerization of client records.

Canada Trust received \$317 million in new will appointments this past year with an average value of approximately \$325,000. This is a concrete indication of the confidence placed in the Company by clients of substantial means.

Pension Trust Services — Pension trust assets increased by \$200 million during the year. Client response to our increased emphasis on communication has been positive and every effort will be made to continue the momentum by further improving administration capabilities.

Investment Funds Services — Retirement Savings Plans experienced excellent growth during the year. Effective January 1, 1975 a Mortgage section was created and is available to participants together with the Guaranteed, Income and Equity sections.

Individual plans are offered for those wishing to manage their own retirement investments. Group plans tailored to meet the needs and objectives of corporations and societies are increasing in popularity.

Over 60,000 people have Retirement Savings Plans with Canada Trust and their collective investment exceeds \$270 million.

Investment Funds for individuals, groups and corporations seeking investment management by professionals at reasonable cost declined in popularity in an uncertain market environment. Over 10,000 participants have invested over \$36 million in the Income and Equity sections.

A Registered Home Ownership Savings Plan will be introduced in early 1975.

Corporate Trust Services — The inability of many corporations to raise capital coupled with the reduced trading activity on security markets has limited the earnings of this division. Notwithstanding, we received a significant number of new registrar, transfer agent and debt trustee appointments.

Real Estate Services — Real estate operations continued to grow both in size and maturity during 1974. Sales commissions earned of \$8.1 million increased 37% over 1973. Emphasis was placed on office relocations, nine in total, in order to facilitate future growth. We provide a full range of real estate services including residential, industrial, commercial and investment. Property management services are available in most major centres. Our expanded facilities include employee relocation programs for corporate clients.

Tax Services — During 1974 a Personal Income Tax preparation service was offered in the Ontario branches. This service recognized a need due to the number of changes to the income tax laws and their

growing complexities. Well qualified staff with many years of experience in preparing tax returns through our personal trust operations made it possible to extend this service to the public. During 1975 this service will be offered through all branches across Canada.

Volume of a new service, Income Averaging Contracts, reached anticipated levels in 1974 and it is expected that 1975 will witness very substantial gains.

STOCKS — SPECIAL CATEGORY

- Canadian American Finance S.A.
 - Luxembourg and London, England
 - International banking through subsidiary Canadian American Bank S.A.
 - Partners are Northwest Bancorporation of Minneapolis, Minnesota and Southeast Banking Corporation of Miami, Florida
- Canadian Venture Capital Corporation (1974) Limited
 - Supplies capital to young and growing Canadian businesses
- City Centre (London) Ltd.
 - Owns major office and shopping complex in London, Ontario in which new Canada Trust head office tower located
- Duncanbrook Properties Limited
 - Real estate development company
 - Owns office building leased to multi-national company, and adjacent lands planned for further prestige office development in Don Mills area of Metro Toronto
- Esquire Park Centre Limited
 - Owns small shopping plaza in Metro Toronto
- Hastings West Investment Ltd.
 - Management holding company in British Columbia
 - Investments in real estate, shipping, mortgage lending, insurance
- Insmor Holdings Limited
 - Insurer of Canadian mortgages beyond 75% loan-to-value ratio
- Oxford Development Group Ltd.
- Oxford Properties U.S. Ltd.
 - Major real estate development companies with investments in Canada and United States
- RoyNat Ltd.
 - Provides financing for small and medium sized Canadian businesses
 - Leasing of equipment

Further detail will be found under Note 5 of the Consolidated Financial Statements

MARKETING SERVICES

For the third year we are sponsoring "To The Wild Country" television specials featuring Lorne Greene and John and Janet Foster. Each show has attracted large viewing audiences and created excellent awareness of our services. Canada Trust Nature Seals continue to be exceptionally popular.

Three major product marketing programs were conducted during the year — Retirement Savings Plans, Personal Income Tax preparation and Personal Loans. All achieved record successes. New branch opening promotions were equally successful, along

with a number of local branch promotional activities.

The marketing research division continued to develop in-depth information for major geographic areas as part of our new branch strategic planning process.

PERSONNEL SERVICES

Continued refinements in our personnel planning system have resulted in specialized recruitment programs being initiated at the trainee level to enable us to meet forecasted human resource needs. A recruitment training program for branch personnel, combined with innovations in such areas as flexible working hours, ensure our competitive position in attracting and retaining high calibre employees. Expanded orientation, training and development programs provide employees with the learning opportunities necessary for growth and advancement.

The salary administration program continues to provide competitive salaries through a merit system based on the overall performance of each employee. In 1974, priority was placed on direct communication of this program to employees and on the initiation of a formalized job evaluation program which ensures equitable salary ranges considering the various complexities of each titled and supervisory position.

Productivity analysis techniques were refined to attempt to optimize staff levels to meet demands for our services. A major organization study was launched to examine and improve the effectiveness of branch operations.

In 1974, 1,548 employees completed an employee opinion survey, results of which compare favourably to a similar survey completed in 1971. The results of this survey define a number of areas for management attention, study and action to meet legitimate employee needs.

ORGANIZATION

On October 31st, 1974 John D. Wilson retired from the position of Senior Vice-President after 46 years of distinguished service. Mr. Wilson will continue as a Director of the Companies and a member of the Pacific Advisory Board. Mr. Derek J. Warren, formerly Vice-President — Special Assignment Europe, was appointed Senior Vice-President — Pacific Region to succeed Mr. Wilson. Effective January 1, 1975 the Prairie Region headed by Leonard W. Stoll, Vice-President, will report to Mr. Warren. Mr. Jack H. Speake, formerly Vice-President — Trust Services, was appointed Vice-President — Client Services, and Keith L. Sumner formerly

Vice-President—Financial Services, was appointed Vice-President—Finance. Both appointments were effective on October 1st, 1974.

These changes were consequent of a decision to realign corporate staff functions along client service lines of greatest affinity, whereas previously these staff functions were divided between trust services and financial services. Product division Assistant Vice-Presidents now report to Mr. Speake. The Treasurer and the Assistant Vice-President—Investments report to Mr. Sumner.

Head office division managers, regional line managers and managers of our four largest full service branches were appointed Assistant Vice-Presidents during the year. These appointments recognize the heavy responsibilities which these individuals carry in our organization and provide uniformity in our titles.

Regions in Ontario underwent boundary and name changes at year-end to more closely reflect dominant geographic and socio-economic factors. Toronto Region was renamed Central Ontario Region; Central Ontario Region became Midwestern Ontario Region and Southern Ontario Region was renamed Southwestern Ontario Region. The former British Columbia Region was renamed Pacific Region. Regions and constituent branches are listed accordingly in this report. The Eastern Canada Region headed by Liam S. O'Brien, Vice-President, reports to Melvin M. Hawkrigg, Senior Vice-President—Central Ontario Region thereby assuring close co-ordination of our efforts in the major metropolitan markets of Montreal and Toronto.

PLANNING

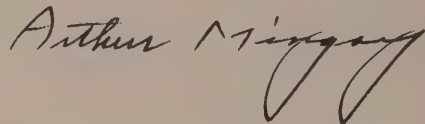
Significant strides were taken in strategic planning. A new branch strategic planning process was finalized. Computer models are now used extensively to provide inputs for key management decisions. On-going operational planning underwent fine-tuning and further computerization thus increasing in effectiveness.

PEOPLE

The single greatest asset of the Company is unquestionably the 2,500 men and women who constitute our staff and who rise unstintingly to meet new challenges and opportunities. For their loyalty, professionalism and hard work we express our most sincere appreciation.

THE YEAR AHEAD

Prospects for the Canadian economy during the next twelve months contain many uncertainties. While Canada is singularly fortunate with a large degree of self sufficiency from our agricultural and energy resource base, we are not and cannot be insulated from current and potential disruptive international events. Real growth in the economy is likely to be modest, double digit inflation may well persist and unemployment appears destined to rise. Monetary policy will likely be relaxed somewhat and slightly lower short term interest rates should result. While the latter prospect augurs well for net operating earnings, any forecast must be tempered by the continuing problem of inflation in salary and other operating costs. Notwithstanding, 1975 should be a satisfactory year for Canada Trust.



President and Chief Executive Officer



Executive Vice-President

London, Ontario, January 24, 1975

Consolidated Statement of Earnings, year ended December 31

			% Increase (Decrease)
Income	1974	1973	
Investment			
Cashable term deposits	\$ 7,976,000	\$ 1,068,000	646.8
Bonds	9,689,000	11,735,000	(17.4)
Stocks	2,057,000	1,123,000	83.2
Mortgages	153,652,000	130,682,000	17.6
Trust advances, other secured and consumer loans	7,972,000	5,185,000	53.8
	<u>181,346,000</u>	<u>149,793,000</u>	21.1
Fees and commissions			
Estates, trusts and agencies	6,830,000	6,123,000	11.6
Pension trusts and pooled funds	4,513,000	4,055,000	11.3
Corporate trust	1,808,000	1,647,000	9.8
Real estate sales	8,106,000	5,922,000	36.9
	<u>21,257,000</u>	<u>17,747,000</u>	19.8
Other	5,112,000	3,088,000	65.5
	<u>207,715,000</u>	<u>170,628,000</u>	21.7
Expense			
Interest on deposits			
Demand	32,160,000	23,058,000	39.5
Cashable term	9,618,000	2,591,000	271.2
Term	106,260,000	84,406,000	25.9
	<u>148,038,000</u>	<u>110,055,000</u>	34.5
Salaries	20,421,000	16,640,000	22.7
Pension and other employee benefits	1,859,000	1,468,000	26.6
Real estate commissions	5,536,000	3,894,000	42.2
Net premises note 6	4,442,000	3,852,000	15.3
Other	10,872,000	9,666,000	12.5
	<u>191,168,000</u>	<u>145,575,000</u>	31.3
Operating earnings before income taxes	16,547,000	25,053,000	(34.0)
Income taxes note 4	<u>7,603,000</u>	<u>12,190,000</u>	(37.6)
NET OPERATING EARNINGS	<u>8,944,000</u>	<u>12,863,000</u>	(30.5)
Other net gains after income taxes			
Investments	85,000	3,000	
Premises		36,000	
Net earnings	<u>\$ 9,029,000</u>	<u>\$ 12,902,000</u>	(30.0)
Earnings per common share			
NET OPERATING EARNINGS	\$ 1.60	\$ 2.33	(31.3)
Other net gains	.01	.01	
Net earnings	<u>\$ 1.61</u>	<u>\$ 2.34</u>	(31.2)

Consolidated Balance Sheet, December 31

ASSETS	1974	1973
Investments		
Cash and cashable term deposits	\$ 123,219,000	\$ 75,473,000
Securities <i>note 5</i>		
Bonds		
Canada	96,890,000	104,280,000
Provincial	14,600,000	12,658,000
Municipal	2,704,000	3,673,000
Corporation	24,636,000	50,544,000
	<u>138,830,000</u>	<u>171,155,000</u>
Stocks		
Preferred	23,285,000	3,782,000
Common	17,712,000	16,628,000
	<u>40,997,000</u>	<u>20,410,000</u>
Stocks — special category	7,843,000	4,326,000
	<u>187,670,000</u>	<u>195,891,000</u>
Loans		
Mortgages		
Conventional	1,546,774,000	1,319,341,000
National Housing Act	223,753,000	235,237,000
	<u>1,770,527,000</u>	<u>1,554,578,000</u>
Consumer and personal	41,376,000	26,018,000
Trust advances and other secured	56,305,000	29,242,000
	<u>1,868,208,000</u>	<u>1,609,838,000</u>
Other	9,045,000	
Total investments	2,188,142,000	1,881,202,000
Income taxes recoverable <i>note 4</i>	5,801,000	
Real estate acquired in settlement of loans		174,000
Premises and equipment <i>note 6</i>	27,155,000	24,394,000
Other	2,454,000	1,805,000
	<u>\$2,223,552,000</u>	<u>\$1,907,575,000</u>

We hereby certify that to the best of our knowledge and belief the consolidated balance sheet at December 31, 1974 and the accompanying consolidated statements of earnings and retained earnings for the year then ended are correct and show truly and clearly the financial condition of the affairs of The Huron and Erie Mortgage Corporation and its subsidiaries at December 31, 1974 and the results of their operations for the year then ended.

J. ALLYN TAYLOR, Chairman

ARTHUR H. MINGAY, President

LIABILITIES	1974	1973
Deposits		
Demand	\$ 546,493,000	\$ 533,534,000
Cashable term	146,556,000	76,422,000
Term	<u>1,417,781,000</u>	<u>1,198,347,000</u>
	<u>2,110,830,000</u>	<u>1,808,303,000</u>
Other		
Mortgages payable	1,189,000	
Income taxes payable		2,972,000
Dividend payable	<u>1,656,000</u>	<u>1,656,000</u>
	<u>2,845,000</u>	<u>4,628,000</u>
Provision for future income taxes <i>note 4</i>	<u>21,117,000</u>	<u>16,522,000</u>
SHAREHOLDERS' EQUITY		
Capital stock <i>note 2</i>		
Authorized		
5,000,000 cumulative redeemable preference		
shares of \$20 par value each,		
issuable in series		
10,000,000 common shares of \$2 par value each		
Issued and fully paid		
425,000 8 % preference shares series A	8,500,000	
5,521,088 common shares	<u>11,042,000</u>	<u>11,042,000</u>
	19,542,000	11,042,000
Contributed surplus <i>note 3</i>	23,880,000	23,880,000
Retained earnings <i>note 3</i>	<u>45,338,000</u>	<u>43,200,000</u>
	<u>88,760,000</u>	<u>78,122,000</u>
	<u>\$2,223,552,000</u>	<u>\$1,907,575,000</u>

Consolidated Statement of Retained Earnings, year ended December 31

	1974	1973
Balance at beginning of year <i>note 3</i>		
Retained earnings	\$ 446,000	\$ 441,000
General reserve	32,320,000	27,320,000
Contingency reserve	10,434,000	9,438,000
	<u>43,200,000</u>	<u>37,199,000</u>
Net earnings	9,029,000	12,902,000
	<u>52,229,000</u>	<u>50,101,000</u>
Dividends on		
Preference shares	137,000	
Common shares	6,625,000	6,901,000
	<u>6,762,000</u>	<u>6,901,000</u>
Expenses, net of income taxes, incurred on recapitalization and issue of preference shares <i>note 2</i>	129,000	
	<u>6,891,000</u>	<u>6,901,000</u>
Balance at end of year	<u>\$45,338,000</u>	<u>\$43,200,000</u>

Notes to Consolidated Financial Statements, year ended December 31, 1974

1. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. A description of accounting policies of particular significance is as follows:

(a) Consolidation

The financial statements include the accounts of The Huron and Erie Mortgage Corporation and its subsidiary companies. These subsidiary companies are The Canada Trust Company, Truscan Realty Limited and Truscan Realty (Kitchener) Limited. The consolidated statement of earnings for the year ended December 31, 1974 includes the operations of Truscan Realty (Kitchener) Limited from the effective date of its acquisition, December 1, 1974.

(b) Investments

Bonds are stated at amortized cost plus accrued interest and stocks are stated at cost. Dividends from preferred stock holdings in excess of \$1,000,000, which have record dates prior to the year end, are accrued on a daily basis from the last payment date to year end. Dividends from all other stocks are recorded as income when received. Mortgages are recorded at cost, which includes amounts advanced, interest capitalized and accrued, taxes and other charges, less repayments.

(c) Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on the straight-line method over the estimated

useful life of each asset at annual rates as follows:

Buildings	2½ %
Equipment	10 %
Automobiles	20 %

Amortization of leasehold improvements is computed on the straight-line method over the term of the lease plus the first renewal option.

(d) Income Taxes

Full provision for income taxes is made in the consolidated statement of earnings using the tax allocation method, whereby income taxes related to the following significant timing differences are included in the provision for future income taxes:

- (i) claiming capital cost allowances for income tax purposes in excess of depreciation recorded in the accounts.
- (ii) claiming for income tax purposes an allowance for possible future losses on loans of the companies and on bonds held in the guaranteed account of The Canada Trust Company in excess of any provision recorded in the accounts.
- (iii) reducing income for income tax purposes by the amount of accrued interest at year end recorded in the accounts.

(e) Earnings per Common Share

Earnings per common share are calculated using the number of common shares outstanding and are after the dividend requirement of \$137,000 in 1974 on the preference shares series A.

(f) *Estates, Trusts and Agencies*

Fees from estate, trust and agency services are recorded as income when received.

2. *Capital Stock*

During 1974, The Huron and Erie Mortgage Corporation obtained letters patent creating 5,000,000 cumulative redeemable preference shares of \$20 par value each, issuable in series. In 1974, 425,000 8% cumulative redeemable preference shares series A were issued for cash at par for a net consideration of \$8,371,000 after payment of underwriting, legal and other expenses, net of income taxes, of \$129,000 in connection with recapitalization and this issue. These shares are subject to the following conditions:

(a) *Purchase Fund*

The corporation, annually during the years 1975 to 1984, will offer to purchase for cancellation at a price not in excess of par value, the lesser of 50,000 preference shares series A or the number of shares which can be purchased by 10% of the consolidated net earnings of the prior year. After 1984, the corporation will annually offer to purchase for cancellation the lesser of 5% of the number of preference shares series A outstanding at the beginning of the year or the number of shares which can be purchased by 10% of the consolidated net earnings of the prior year. Any purchase is subject to the prior consent of the Federal Superintendent of Insurance and the directors of the corporation:

(b) *Redemption*

The corporation may not redeem all or any part of the preference shares series A outstanding prior to September 15, 1979. At anytime thereafter, the corporation may upon giving notice, and subject also to the prior consent of the Federal Superintendent of Insurance, redeem all or any part of the preference shares series A outstanding at their par value, together with dividends accrued and a premium according to the following schedule:

If redeemed in the three years ended September 15	Premium per Share
1982	\$1.40
1985	1.20
1988	1.00
1991	.80
1994	.60
thereafter	.40

3. *Contributed Surplus and Retained Earnings*

In prior years, the companies reported in the shareholders' equity section in the consolidated balance sheet a general reserve and a contingency reserve. These reserves represented accumulated appropriations from retained earnings, and contributed surplus arising from premiums

received on issue of common shares, which at December 31, were as follows:

	1973	1972
<u>General Reserve</u>		
Accumulated appropriations	\$32,320,000	\$27,320,000
Premium on issue of common shares	23,880,000	23,880,000
	<u>\$56,200,000</u>	<u>\$51,200,000</u>
<u>Contingency Reserve</u>		
Accumulated appropriations	<u>\$10,434,000</u>	<u>\$ 9,438,000</u>

As at December 31, 1974 the accumulated appropriations from retained earnings have been included in retained earnings, as disclosed in the consolidated statement of retained earnings, and the premiums on issue of common shares have been classified as contributed surplus in the shareholders' equity section in the consolidated balance sheet. The 1973 comparative figures have been reclassified to conform with the financial statement presentation adopted in 1974.

4. *Income Taxes*

The provision for future income taxes at December 31, 1974 includes \$6,009,000 (1973, \$5,107,000) relative to the accrued interest income timing difference. In the November, 1974 budget, the Department of Finance of the Government of Canada indicated its intention to amend the Income Tax Act, thereby requiring financial institutions to report earnings for income tax purposes on the accrual basis, effective in the 1975 taxation year. Enactment of such legislation will give rise in 1975 to a reduction of \$6,009,000 in the provision for future income taxes and a corresponding increase in current income taxes payable.

The companies have been assessed by the Department of National Revenue, Taxation for the 1972 taxation year in respect of the accrued interest income at December 31, 1972. The income taxes so assessed in the amount of \$3,493,000 have been paid, but are under appeal and are included in income taxes recoverable of \$5,801,000 at December 31, 1974. In the opinion of counsel, the companies should be successful in their appeals.

The income taxes reported in the consolidated statement of earnings are summarized as follows:

	1974	1973
Current	\$2,986,000	\$10,219,000
Provision for future	4,617,000	1,971,000
Charge to operations	<u>\$7,603,000</u>	<u>\$12,190,000</u>

5. Securities

Cost and market values, in thousands, at December 31, are:

	1974		1973	
	Cost	Market	Cost	Market
Bonds				
Canada	\$ 96,890	\$ 96,716	\$104,280	\$102,664
Provincial	14,600	13,245	12,658	11,152
Municipal	2,704	2,419	3,673	3,399
Corporation	24,636	21,487	50,544	48,847
	<u>\$138,830</u>	<u>\$133,867</u>	<u>\$171,155</u>	<u>\$166,062</u>
Stocks				
Preferred	\$ 23,285	\$ 21,995	\$ 3,782	\$ 2,846
Common	17,712	21,827	16,628	29,254
	<u>\$ 40,997</u>	<u>\$ 43,822</u>	<u>\$ 20,410</u>	<u>\$ 32,100</u>

Stocks - special category are recorded at cost of \$7,843,000 in 1974 and \$4,326,000 in 1973 and consist of shares in the following companies:

	Percentage of Ownership	
	1974	1973
Canadian American Finance S.A.	30%	
Canadian Venture Capital Corporation (1974) Limited	11%	
City Centre (London) Ltd.	10%	
Duncanbrook Properties Limited	30%	30%
Esquire Park Centre Limited	25%	25%
Hastings West Investment Ltd.	10%	
Insmor Holdings Limited	15%	15%
Oxford Development Group Ltd.	10%	10%
Oxford Properties U.S. Ltd.	9%	
RoyNat Ltd.	10%	10%

The realizable value of these stocks in total is estimated to exceed cost.

6. Premises and Equipment

Book values, in thousands, at December 31, are:

	1974		1973	
	Cost	Accumulated depreciation & amortization	Net	Net
Land	\$ 4,406	\$	\$ 4,406	\$ 4,280
Land held for development	866		866	317
Buildings	24,459	7,961	16,498	15,189
Leasehold improvements	2,830	851	1,979	1,828
Equipment	8,801	5,444	3,357	2,717
Automobiles	103	54	49	63
	<u>\$41,465</u>	<u>\$14,310</u>	<u>\$27,155</u>	<u>\$24,394</u>

Depreciation and amortization of \$1,329,000 for 1974 and \$1,221,000 for 1973 are included in net premises expense.

Net premises expense has been reduced by \$1,703,000 in 1974 and \$1,580,000 in 1973 representing rental income from premises leased to others.

7. Commitments

(a) Leases

The aggregate minimum rentals payable under premises and equipment leases in effect at December 31, 1974 are as follows for each of the periods shown:

1975-1979	\$12,499,000
1980-1984	10,520,000
1985-1989	7,721,000
after 1989	8,862,000

Net premises expense includes rent paid of \$2,212,000 in 1974 and \$1,857,000 in 1973.

(b) Mortgages

Outstanding commitments for future advances amount to \$129,457,000 at December 31, 1974 and \$237,479,000 at December 31, 1973.

8. Guaranteed Trust Deposits

Consolidated assets held to secure guaranteed trust deposits of The Canada Trust Company are \$1,111,739,000 in 1974 and \$938,669,000 in 1973.

Auditors' Report

To the Shareholders of
The Huron and Erie Mortgage Corporation

We have examined the consolidated balance sheet of The Huron and Erie Mortgage Corporation and its subsidiary companies as at December 31, 1974 and the consolidated statements of earnings and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 14, 1975
London, Canada

Thorne Riddell & Co.
Chartered Accountants

Clarkson, Gordon & Co.
Chartered Accountants

Maturities

The maturities of investments, at December 31, 1974, in thousands, are:

Maturity dates	Cash and cashable term deposits	Securities*	Mortgages	Other loans and investments	Total	%
Demand and 1975	\$ 121,689	\$ 35,010	\$ 179,831	\$ 59,763	\$ 396,293	18.1
1976		26,496	246,922	8,975	282,393	12.9
1977		24,147	307,120	13,157	344,424	15.7
1978		3,802	407,710	4,765	416,277	19.0
1979		20,514	442,746	2,631	465,891	21.3
after 1979		44,556	144,673	17,221	206,450	9.5
Stocks		30,611			30,611	1.4
Accrued interest	1,530	2,534	41,525	214	45,803	2.1
	<u>\$ 123,219</u>	<u>\$ 187,670</u>	<u>\$1,770,527</u>	<u>\$ 106,726</u>	<u>\$2,188,142</u>	<u>100.0</u>

*Preferred stocks which have a specific redemption feature at the option of the holder are reflected under the year when the option may be exercised.

The maturities of deposit liabilities, at December 31, 1974, in thousands, are:

Maturity dates	Demand	Cashable term	Term	Total	%
Demand and 1975	\$ 540,894	\$ 144,838	\$ 411,806	\$1,097,538	52.0
1976			306,482	306,482	14.5
1977			215,038	215,038	10.2
1978			233,711	233,711	11.1
1979			195,289	195,289	9.3
after 1979			5,557	5,557	.2
Accrued interest	5,599	1,718	49,898	57,215	2.7
	<u>\$ 546,493</u>	<u>\$ 146,556</u>	<u>\$1,417,781</u>	<u>\$2,110,830</u>	<u>100.0</u>

Ten Year Record

	1974	1973	1972
For the year (000's omitted)			
Income	\$ 207,715	\$ 170,628	\$ 146,891
Expense	191,168	145,575	122,657
Operating earnings before income taxes	16,547	25,053	24,234
Income taxes	7,603	12,190	11,280
Net operating earnings	<u>\$ 8,944</u>	<u>\$ 12,863</u>	<u>\$ 12,954</u>
At year end (000's omitted)			
Assets under administration	\$4,952,000	\$4,283,000	\$3,774,000
Estates, trusts and agencies	2,728,000	2,375,000	2,109,000
Deposits	2,111,000	1,808,000	1,577,000
Loans	1,868,000	1,610,000	1,410,000
Shareholders' equity	88,760	78,122	72,121
Per common share			
Net operating earnings	\$ 1.60	\$ 2.33	\$ 2.35
Dividends paid	1.20	1.15	.93
Shareholders' equity	14.54	14.15	13.06
Market price			
High	31 ³ / ₄	34 ¹ / ₄	35
Low	16 ¹ / ₂	26 ¹ / ₂	24 ¹ / ₂
December 31	23 ¹ / ₂	31 ³ / ₄	34
Price/Earnings multiple, December 31	14.7	13.6	14.5
Statistical data at year end			
Number of preference shares outstanding	425,000		
Number of common shares outstanding	5,521,088	5,521,088	5,521,088
Percentage of common shares held in Canada	99	98	98
Number of common shareholders	4,605	4,654	4,617
Volume of common shares traded during year	321,100	479,900	422,900
Number of branches and mortgage offices	93	87	82
Number of full-time employees	2,146	2,105	1,986
Number of real estate offices	46	42	36
Number of real estate sales representatives	368	320	245

1971	1970	1969	1968	1967	1966	1965
\$ 129,485	\$ 113,113	\$ 93,776	\$ 65,730	\$ 51,348	\$ 45,446	\$ 38,764
<u>109,702</u>	<u>101,470</u>	<u>83,205</u>	<u>56,463</u>	<u>43,017</u>	<u>37,326</u>	<u>31,581</u>
19,783	11,643	10,571	9,267	8,331	8,120	7,183
9,621	5,632	5,117	4,527	3,961	3,934	3,495
<u>\$ 10,162</u>	<u>\$ 6,011</u>	<u>\$ 5,454</u>	<u>\$ 4,740</u>	<u>\$ 4,370</u>	<u>\$ 4,186</u>	<u>\$ 3,688</u>

\$3,272,000	\$2,871,000	\$2,574,000	\$2,232,000	\$1,689,000	\$1,501,000	\$1,363,000
1,797,000	1,546,000	1,375,000	1,197,000	977,000	860,000	795,000
1,398,000	1,255,000	1,139,000	997,000	662,000	596,000	527,000
1,251,000	1,112,000	981,000	836,000	583,000	519,000	447,000
64,351	57,489	46,908	43,910	42,207	39,353	36,371

\$ 1.84	\$ 1.18	\$ 1.11	\$ 1.09	\$ 1.09	\$ 1.05	\$.94
.59	.53	.52	.46	.43	.40	.31
11.66	10.41	9.55	8.94	10.55	9.84	9.09

26 $\frac{1}{4}$	20 $\frac{1}{2}$	18 $\frac{1}{2}$	17 $\frac{1}{4}$	11	14	14 $\frac{1}{2}$
19 $\frac{3}{4}$	14 $\frac{1}{4}$	14 $\frac{1}{2}$	9 $\frac{1}{2}$	9	8 $\frac{1}{2}$	11 $\frac{5}{8}$
24 $\frac{1}{2}$	20 $\frac{1}{2}$	16 $\frac{3}{4}$	16 $\frac{3}{4}$	9 $\frac{7}{8}$	8 $\frac{7}{8}$	12
13.3	17.1	15.1	15.4	9.1	8.5	12.8

5,521,088	5,521,088	4,911,856	4,911,856	4,000,000	4,000,000	4,000,000
98	98	98	98	98	98	98
4,558	4,678	4,763	4,961	3,154	3,078	2,724
458,800	560,400	538,600	711,900	190,450	196,600	267,200
81	82	79	78	56	53	50
1,899	1,868	1,795	1,692	1,266	1,247	1,220
23	18	16	14	10	8	6
151	116	100	90	80	70	60

Board of Directors

All those listed are Directors of Canada Trust except Henry Borden and John B. Cronyn who are Directors of Huron and Erie. Those serving as Directors of both Companies are indicated by an asterisk (*). Members of the Executive Committee are indicated by a circle (°)

- * A.E. BARRON, Toronto
Chairman, Canadian Tire Corporation Limited
- * ° WALTER A. BEAN, Waterloo
Deputy Chairman, Canada Trust
Chairman, Economical Mutual Insurance Company
- WESLEY J. BEATTY, Acton
Retired Executive
- WALTER J. BLACKBURN, London
President & Publisher,
London Free Press Printing Company Limited
- HENRY BORDEN, Toronto
Corporate Director
- C.W. BRAZIER, Vancouver
Barrister and Solicitor
- D.W. BROWN, Kitchener
Chairman, Lear Siegler Industries Limited
- HUGH CAMPBELL, Ottawa
Corporate Director
- C.R. CLARKE, London
General Counsel and Secretary
Canada Trust
- J.V. CLYNE, Vancouver
Director, MacMillan Bloedel Limited
- * G.E. CREBER, Toronto
Corporate Director
- JOHN B. CRONYN, London
Corporate Director
- G.B. CURRIE, Vancouver
Chairman, MacMillan Bloedel Limited
- G.H. DOBBIE, Cambridge
President, Dobbie Industries Limited
- T. EDMONDSON, St. Catharines
Chairman, Ferranti Packard Limited
- W.W. FOOT, Waterloo
Director, Economical Mutual Insurance Company

COLIN S. GLASSCO, Hamilton
Corporate Director

- * ° J.D. HARRISON, London
Barrister and Solicitor

W. HOWARD HEMPHILL, Stratford
President, Imperial Furniture Mfg.
Co. Limited

ELMORE HOUSER, Toronto
Barrister and Solicitor

- * ° A.H. JEFFERY, London
President, London Life Insurance Company

- * ° TOM F.G. LAWSON, London
Vice-President, Canada Trust
President, Lawson & Jones Limited

- * ° K.R. MacGREGOR, Waterloo
Chairman, The Mutual Life Assurance Company of Canada

- * ° O.E. MANNING, Oakville
Retired Executive

C.A. MARTIN, Milton
Farmer

H.S. MATTHEWS, Guelph
Retired Executive

W.J. McGIBBON, Waterloo
Barrister and Solicitor

DUNCAN McINTOSH, Cambridge
Retired Executive

- * M.C.G. MEIGHEN, Toronto
Vice-President, Canada Trust
Chairman, Canadian General Investments Limited

- * ° ARTHUR H. MINGAY, London
President and Chief Executive Officer
Canada Trust

JOHN E. MOTZ, Kitchener
President and Publisher
Kitchener-Waterloo Record Ltd.

CARL O. NICKLE, Calgary
President, Conventures Limited

EDWIN C. PHILLIPS, Vancouver
President, Westcoast Transmission Company, Limited

- * ° LOUIS RASMINSKY, Ottawa
Chairman, International Development Research Centre

G.E. ROBERTSON, Guelph
Retired Executive

E.G. SCHAFER, Kitchener
Senior Vice-President
Lutheran Life Insurance Society of Canada

J.E. FROWDE SEAGRAM, Waterloo
Chairman, Canbar Products Limited

G.E. SHARPE, Winnipeg
President, Sharpe's Limited

W.H. SPRAGUE, Edmonton
Chairman, Sprague Drug Limited

W.J. STENASON, Montreal
Executive Vice-President
Canadian Pacific Investments Limited

R.W. STEVENS, Toronto
Barrister and Solicitor

JOHN D. STEVENSON, Toronto
Barrister and Solicitor

J.J. STUART, Windsor
Chairman and President
J.T. Wing Limited

- * ° J. ALLYN TAYLOR, London
Chairman, Canada Trust

NOAH TORNO, Toronto
Chairman and Chief Executive Officer
Jordan Valley Wines Limited

GEORGE WHITAKER, London
Retired Executive

- * J.D. WILSON, Vancouver
Corporate Director

R.B. WILSON, Victoria
President, The B. Wilson Company Limited

Honorary Directors

V.P. CRONYN
GORDON FARRELL
HAROLD H. LEATHER
HUGH L. McCULLOCH
JOHN W. SCOTT
MERVYN J. SMITH
J. GORDON THOMPSON
ALFRED S. UPTON
CLARENCE WALLACE
A. ERNEST WALFORD
C.N. WEBER

Smart folks...



... have an Estate Planning
Consultant from Canada Trust
help plan their financial affairs.

 Gordon Sinclair

Corporate Management Group

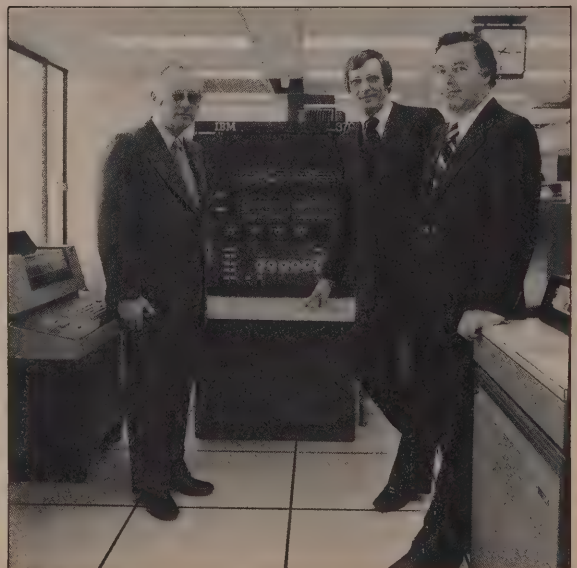


Mervyn L. Lahn, Executive Vice-President, on roof of new Canada Trust Tower with City of London in background.

Melvin M. Hawkrigg, C.A., Senior Vice-President — Central Ontario Region, and Derek J. Warren, Senior Vice-President — Pacific Region are pictured in one of the private office areas, which feature large windows for an abundance of natural light.



Charles C. Parsons, F.C.A., Vice-President — Administrative Services; Leonard W. Stoll, Vice-President — Prairie Region and James T. Lindores, Vice-President — Personnel Services in the new computer area which operates in a multiprogramming environment to handle increased volumes of business.

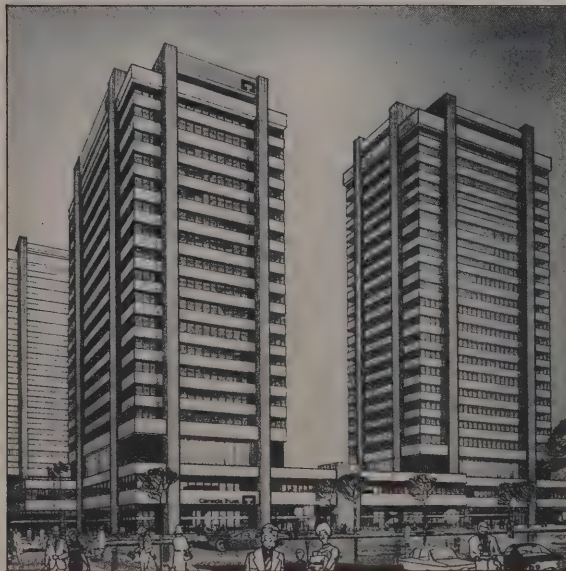




Keith L. Sumner, Vice-President — Finance; Archie H. Kerr, C.A., Vice-President — Midwestern Ontario Region and Liam S. O'Brian, Vice-President — Eastern Canada Region outside new Tower. Signs at street and roof levels have further strengthened the Company's identification in London.

Donald E. McLean, Vice-President — Marketing Services; John R. Biggs, Vice-President — Southwestern Ontario Region and Jack H. Speake, Vice-President — Client Services, view the new City Centre Branch located on the main floor of the Tower.

The Canada Trust Tower is part of the new City Centre development in London, Ontario. Head Office and London area personnel will occupy nine of the twenty floors, plus a Branch in the shopping concourse. The move to the Tower, expected to be completed early in 1975, will result in increased efficiency with Head Office personnel located in the one building.



Head Office Management

- JAMES T. LINDORES
Vice-President - Personnel Services
- ROBERT J. E. SMITH
Assistant Vice-President - Organization Services
- DUNCAN F. TILLY
Assistant Vice-President - Personnel Resources
- DONALD E. McLEAN
Vice-President - Marketing Services
- DONALD W. AMBROSE
Assistant Vice-President - Marketing Research
- FRANK W. PRATT
Assistant Vice-President - Marketing Services
- CHARLES C. PARSONS, F.C.A.
Vice-President - Administrative Services
- JOHN L. DORAN, C.A.
Assistant Vice-President - Audit Services
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Assistant Vice-President - Information Systems
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- DONALD A. MacDONALD
Assistant Vice-President - Corporate Trust Services
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Assistant Vice-President - Investment Funds Services
- KENNETH W. MESTON
Assistant Vice-President - Personal Trust Services
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Assistant Vice-President - Deposit Services
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Assistant Vice-President - Mortgage Services
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Vice-President - Finance
- DAVID M. COCKFIELD
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Real Estate Representative

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Fruit Grower

F.M. EARLY, Brampton
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REFORD GARDHOUSE, Milton
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Vice-President, Goulding, Rose &
Turner Ltd.

JOHN GOY, Acton
President, Goy Cartage Ltd.

MICHAEL LEDWITH, Milton
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C.A. MARTIN, Milton
Farmer

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ANGUS McMILLAN, Oakville
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JAMES PENGILLEY, Mississauga
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Investments Limited

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NOAH TORNO
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Jordan Valley Wines Limited

Saving Money...



"It's great to save at Canada Trust...
their friendly staff will open
a savings account or personal chequing
account for you with a smile."

 Gordon Sinclair

Services

Large or small. Personal or business. Financial matters are important. Canada Trust offers experienced know-how in a wide range of financial services a few of which are described here.

The Government Makes The Tax Rules . . . Start Using Them And Save Some Money

The government says in effect, "Plan now for your retirement and we'll allow you to pay as much as \$4,000 into a registered retirement savings plan. And we won't tax you on it now." The money you save in a Canada Trust individual Retirement Savings Plan can be invested in a variety of ways with flexibility. Group Registered Retirement Plans are also available for employees of Corporations.

Plan Ahead

How often you hear this phrase in today's world. And these words apply to your personal financial life, too! It's important you plan now for the future. A Canada Trust estate planning consultant can show you how to plan for the financial well-being of you and your family.

Two Plans To Assist You With Your Investments

One plan relieves individuals, corporations and organizations of much of the responsibility in the safekeeping and day-to-day record keeping for transactions of all types of securities. The second plan does all this as well as having experienced investment people providing full time portfolio management to meet the client's objectives.

Saving For Today And The Future

Whether it's for a trip, new home, university education . . . or just a rainy day, Canadians find our savings account the place to save. High interest—calculated monthly—makes dreams come true, faster.

Let Us Do Your Income Tax This Year

Avoid all the time and effort of completing your individual income tax return by having us do it for you. We're specialists. We've been filing returns for customers since Federal income tax was first introduced in 1917. And we guarantee accuracy. If we make an error using the information you supply, we will pay any interest charges or penalties that result.

Income Averaging Contracts

If you receive a lump sum of certain types of income, the government permits you to spread it over future years for tax purposes. With our Income Averaging Contracts you enjoy the convenience of regular payments for the period you select, up to fifteen years, high interest rates . . . and tax benefits too!

Building For Tomorrow

As one of Canada's largest mortgage lenders, Canada Trust gives prompt consideration to all applications for loans on new and existing residential, industrial and commercial properties.

Interested In Interest?

Certainly, and we pay high interest rates on your money. Leave it with us for only a month . . . or up to five years. There's a Canada Trust investment certificate that pays you handsomely for the period of investment you decide on. These term deposits are called Certificates of Deposit, Debentures and Guaranteed Investment Certificates.

We'll Help Your Budget

A Canada Trust Personal Chequing Account is a real help to busy housewives . . . and business people. Saves time . . . helps keep the budget on course. All that plus a monthly statement, and friendly, convenient service.

Buying Or Selling Real Estate? See Our Specialists

Canada Trust has real estate professionals in commercial, industrial and residential properties . . . and specialists in appraisals and property management.

Don't Appoint "Uncle Charlie!"

"Uncle Charlie" may be a great friend but he's probably not an experienced executor. Your family will need the professional executor know-how plus the continuity of service offered by Canada Trust.

Attention Businessmen

No matter how large—or small—your business, Canada Trust can meet all your requirements as a corporate trustee and transfer agent. We do it with an integrated series of services which relate to the business of caring for your debtholders and shareholders.

Trustee For Employee Benefit Plans

Canada Trust is actively engaged in helping many of Canada's most progressive companies manage their pension and profit sharing plans.

Need Money?

There often comes a time when borrowing money makes good financial sense. One of our low cost Consumer or Personal Loans may be just the answer. Talk it over with your local Canada Trust manager.

More Information?

Any branch will be happy to serve you . . . or write Customer Services Department, Canada Trust, London, Ontario for our booklet "We're a financial service centre."

Business...



"Corporations, large and small,
receive expert help from Canada Trust
In managing pension plans,
shareholder communications and records."

 Gordon Sinclair

Where to find us across Canada

PACIFIC REGION

Regional Office
901 West Pender,
Vancouver — (604) 688-8444

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SENIOR VICE-PRESIDENT

ALAN D. MUNRO
ASSISTANT VICE-PRESIDENT

Branch Locations and Managers

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WM. HAROLD GRIFFIN

NANAIMO:
86 Commercial at Wharf
R.D. (BOB) TUSTIN

NEW WESTMINSTER:
6th St. at 7th Ave.
FRED S. BARNES

PRINCE GEORGE:
Victoria at 5th
TOM A. HARRIS

VANCOUVER:
West Pender at Hornby
C.H. O'HARA
ASSISTANT VICE-PRESIDENT
Cambie at 41st
G.O. BRADLEY

41st Ave. W. at Yew Street
T.J. MILLER

Denman at Comox
D.W. TOMLINSON

416 Main Street
FRED T. SZE

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Park Royal Shopping Centre
LESLIE A. SMITH

VICTORIA:
View at Broad
D.R. ABBOTT

Real Estate Office Locations and Salesmanagers

PRINCE GEORGE:
Victoria at 5th
DOUGLAS W. WEDMAN

VANCOUVER:
5710 Yew Street
D.P. WOODLEY
416 Main Street
D.P. WOODLEY

VICTORIA:
1537 Hillside Ave.
PETER MASON

PRAIRIE REGION

Regional Office
239-8th Ave. S.W.
Calgary — (403) 262-7911

LEONARD W. STOLL
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636 Rosser Ave.
C.G. COX

CALGARY:
239-8th Ave. S.W.
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Market Mall
3625 Shaganappi Trail N.W.
STAN A. MARTIN

Southcentre
100 Anderson Road S.E.
K.M. SNIDAL

EDMONTON:
10150 - 100th Street
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LETHBRIDGE:
622 Third Avenue S.
D.G.W. SUTHERLAND

MEDICINE HAT:
477 Third Street S.E.
W.D. ROSEBOOM

MOOSE JAW:
318 Main Street, N.
R.A. TERICHOW

RED DEER:
4928 Ross Street
CLAYBYN HOOD

REGINA:
1921 Scarth Street
L.J. HONCOOP

SASKATOON:
115-2nd Ave. N.
R. (BOB) MANN

WINNIPEG:
230 Portage Avenue
R.B. (BOB) JAMES

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VIC W. GRAMLICH
1324 Centre Street N.E.
VIC W. GRAMLICH

EDMONTON:
9509-156 Street
R. GORDON McINDOE

LETHBRIDGE:
622 Third Avenue S.
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MEDICINE HAT:
477 Third Street S.E.
TOM SCHECTER

RED DEER:
4928 Ross Street
VIC RICHTER

REGINA:
1921 Scarth Street
STEVE SELENSKI

SASKATOON:
115-2nd Ave. N.
L.R. DAVIDSON

WINNIPEG:
1433 Corydon Avenue
S.O. (STAN) MASON

SOUTHWESTERN ONTARIO REGION

Regional Office
220 Dundas Street,
London (519) 673-6159

JOHN R. BIGGS
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M.E. WEBER

Chatham Place
Highway 40 and 4th Concession
ROD D. WILLOUGHBY

DELHI:
Church at Queen
R.J. RONGITS

LONDON:
City Centre, Dundas at Wellington
FRED L. DALE
ASSISTANT VICE-PRESIDENT

Dundas at Clarence
K.G. JOHNSTON

Covent Market Place
JAMES H. PONSFORD

Dundas at English
RANDOLPH S. PAGE

Wortley at Elmwood
R.T. PANABAKER

Richmond at University
G.C. MacDONALD

Oakridge Plaza, Oxford W.
GEORGE E. McTEER

Horizon Mall, Huron at Highbury
PETER V. BLACK

ST. THOMAS:
Talbot at Elgin
ROBERT P. MORNEAU

SARNIA:
Christina at London Road
W. GARNER MISENER

139 Lochiel at Christina
C.C. SCOTT

SIMCOE:
Norfolk N. at Young
J.J. KEEKS

WINDSOR:
190 University Ave. W. at Victoria
O. EVAN WHITEHEAD

Devonshire Mall, Howard Ave
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Real Estate Office Locations and Salesmanagers

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245 Pall Mall Street
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Horizon Mall, Huron at Highbury
J.P. McNAMARA
1225 Hutton Rd., Sherwood
Forest Mall
C. OWEN ROBBINS

ST. THOMAS:
Talbot at Elgin
LEONARD H. LEFEBVRE

SARNIA:
350 N. Christina
WILLIAM H. LeCLAIR

SIMCOE:
46 Norfolk St. N.
ALAN B. KEACHIE

WINDSOR:
2521 Dougall Road
GARY L. PARENT

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Regional Office
305 King Street West
Kitchener (519) 744-6331

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W.L. KNIGHT

John Galt Shopping Centre
C.E. GAUTHIER

King E. at Argyle
J. WILLIAM LITTLE

ELMIRA:
57 Arthur Street
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FERGUS:
Tower at St. Andrews
R.G. TUCKER

GUELPH:
Wyndham at Cork
W.W. PARK

Willow West Mall
GARY L. FORD

KITCHENER-WATERLOO:
King at Water
J.T. OSBOURNE
ASSISTANT VICE-PRESIDENT
King at Ontario
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C. WILLIAM STUART

Fairview Park Mall
D.A. LADANO

Forest Hill Plaza
W. LINDSAY SOMERVILLE

Stanley Park Mall
LEN M. RIPLEY

Market Square
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King at Erb
W.L. McCORD

Weber at Lincoln
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Centre
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STRATFORD:
Downie at Albert
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Real Estate Office Locations and Salesmanagers

CAMBRIDGE:
44 Main Street
PATRICK J. WOODS

John Galt Shopping Centre
PATRICK J. WOODS

King E. at Argyle
PATRICK J. WOODS

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K.M. MUELLER

FERGUS:
298 St. Andrews Street W.
J.H. ROBINSON

GUELPH:
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J.H. ROBINSON

175 Silvercreek Pkwy. N.
J.H. ROBINSON

KITCHENER:
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K.M. MUELLER

69 King Street W.
K.M. MUELLER

CENTRAL ONTARIO REGION

Regional Office
110 Yonge Street
Toronto — (416) 362-6161

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RONALD CLAYTON
ASSISTANT VICE-PRESIDENT

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C. LOWELL BRECKON

Brant at Caroline
JACK M. GOODER

Robinson's Store, Burlington Mall
G.P. KAESSE

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TORONTO:
Yonge at Adelaide
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STUART MULLARKEY

472 Eglinton Ave. W.
C. DAVID MURRELL-WRIGHT

3006 Bloor at The Kingsway
DONALD W. NICHOL

Markland Wood Plaza, Bloor
Street W.
J. IAN DARK

Yonge N. at Erskine
E.L. BOWES

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Shoppers' World, The Danforth
JOHN A. KEITH

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DUNDAS:
King at Sydenham
STEWART ABMA

GEORGETOWN:
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HAMILTON:
592 Upper James Street
STEWART ABMA

75 Centennial Pkwy. N., Stoney
Creek
STEWART ABMA

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JOHN H. STEWART

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83 Trafalgar Road
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ST. CATHARINES:
103 Ontario St.
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TORONTO:
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HAROLD STUART

472 Eglinton Avenue W.
J. ZIDNER

2432 Eglinton Avenue E.
A.J. FERA

109 Rexdale Blvd.
JACK R. KENNEDY

6989 Yonge Street
A.P.B. OLIVER

437 Carlaw Street
A.J. FERA

Mortgage Office Location

TORONTO:
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R. DOUGLAS THOMSON

EASTERN CANADA REGION

Regional Office
800 Dorchester Blvd. W.
Montreal — (514) 861-9781

LIAM S. O'BRIAN
VICE-PRESIDENT

Branch Locations and Managers

HALIFAX:
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DOUGLAS W. McELLIGOTT

MONTREAL:
800 Dorchester Blvd. W.
A.J. HOLTVED

OTTAWA:
Laurier at Metcalfe
D. COLQUITT

Real Estate Office Locations and Salesmanagers

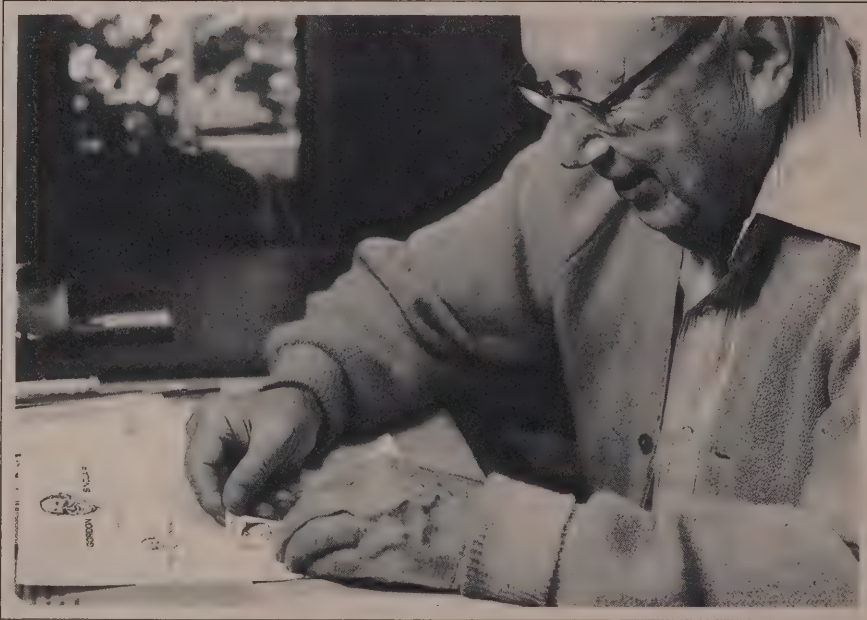
HALIFAX:
6239 Quinpool Road
JEAN WALLACE

Mortgage Office Locations

KINGSTON:
225 Bagot Street
C. ROBERT DENDY

MONTREAL:
7040 Rue St. Hubert
R. G. WHITTINGHAM

Love those Nature Seals...



"What a great idea...
I use them on my letters...
hope you will too."



Gordon Sinclair

Nature Seals

Save our streams

The friendly smile is that of the bullfrog . . . one of the largest frogs, he often reaches a length of eight inches. On a summer night his croak is a welcome sound of nature.

Save our birds

Pictured on this seal is the prairie falcon . . . who habitates the dry, treeless parts of the western sections of North America.

Save our parks

Flowers of all kinds add beauty to nature. The bird's foot violet often blooms twice a year . . . in spring and in summer.

Save our forests

Illustrated are white tailed fawns with their reddish brown coat and white spots. Their coat blends with the forest and helps conceal them from enemies. Many nature lovers say the spots resemble flecks of sunlight.

Save our air

Many children have thrilled to the chase of the colourful monarch butterfly. A delight to our natural beauty, and left alone by the birds . . . who dislike the bitter taste.

Save our lakes

The rainbow trout . . . one of the highly prized game fish in our fresh water lakes. A colourful sight as it glistens in sunlight or adds beauty to clear waters.

Use nature seals on . . .

. . . letters, postcards, posters, books, gifts, meeting notices, place cards, invitations, name tags, greeting cards. A host of uses with messages for a brighter future.

Location of Photography

We thought you'd be interested in the locale of the pictures of Gordon Sinclair

Inside Front Cover

In his boat on Lake Muskoka

Flap

Front Page Challenge panel

Page One

Floor of Toronto Stock Exchange

Page Two

In front of his cottage on Acton Island, Muskoka, wearing the Sinclair Tartan

—Page Four

With his car — note special license number TEN-212, the time of his broadcasts on CFRB Radio

Page Twenty-Three

On end of dock at Acton Island Cottage

Page Twenty-Seven

At Canada Trust Branch, St. Clair Avenue, Toronto, across from his CFRB office

Page Twenty-Nine

In front of the Ford Plant, Oakville

Page Thirty-Two

In his study at home


Photography by André Nufer

We hope you will spread the message by using these seals on your mail . . . as a reminder to us all to save this land of ours.

More seals are yours for the asking at all Canada Trust offices.


Save our streams



 Canada Trust

Save our birds



 Canada Trust


Save our parks



 Canada Trust


Save our forests



 Canada Trust


Save our air



 Canada Trust

Save our lakes



 Canada Trust



Canada Trust